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# NORTH AMERICAN REVIEW.

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## THE FINANCIAL SITUATION.

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### I.—THE PRESENT CRISIS.

BY THE HON. JAMES H. ECKELS, COMPTROLLER OF THE  
CURRENCY.

THE present financial depression differs materially from any that has heretofore occurred in our history. The strain has been of unprecedented length and great severity, but there has been nothing approaching a panic, such as characterized other years under similar circumstances. More significant is the fact that throughout it all there has been manifest no unusual excitement, despite the general distrust in the stability of our moneyed institutions evidenced in every portion of the country; the daily failure of banks, national, state and private; of great commercial enterprises, trust companies and corporations and manufacturing establishments. No stronger proof than this could be had of the vast resources of the country and the available wealth of the people. It demonstrates that no matter how bad the outlook there can be no general bankruptcy and distress like that of 1837, 1857 and 1873.

In all the circumstances surrounding the present situation it is equally at variance with other periods of liquidation. It has

developed at a time when there is an abundance of agricultural produce and of manufactured product on every hand. Ordinary business in mercantile lines is up to, and in some trades above, the standard of the same months in times of marked prosperity, while the actual amount of money in circulation *per capita* is as great as that of recent years. Not less worthy of note is it that, in a majority of the failures that have occurred in legitimate lines thus far, the assets reported of the failed concerns have been largely in excess of their liabilities and of such a character as to cause comment that institutions holding them should have been forced to suspend.

As these facts come to the knowledge of the people the situation is slowly but surely undergoing a change for the better. It is true it is not a radical one, but it is sufficiently notable to attract the attention of even a casual observer. Evidence of this improved condition is plainly apparent. The people are getting over their scare sufficiently well to calmly take an inventory of the solvent institutions that are in every State and Territory, and to realize that they are so far in excess of the numbers that have been forced to the wall that many more might be put into liquidation and our country still remain the wealthiest in all the catalogue. They are coming to know that many of the failed institutions are in sections of the country where booms have been the order of the day and legitimate business growth looked upon as quite out of date. They are turning to staid New England and observing that not a national bank within her borders has closed its doors; that but two have gone into liquidation in New York, one through misuse of the privileges so easily granted those connected with the institutions, and the other because of mismanagement; none in Pennsylvania, New Jersey, Wisconsin, Minnesota and other Northwestern and Western States, and that the failures in the South are but few. They have learned that the three in Illinois, one of which carried down a now re-opened bank in Indiana, were forced to suspend more because of internal causes than from outside pressure, and that the same causes worked the failures of one in Ohio, one in Indiana, two in Michigan, three in the Dakotas, one in Kansas, three in Nebraska, two in Georgia, three in Texas, and one in North Carolina, and that two in Tennessee, one in Montana and one in Utah were wrecked by speculations.

They have also noted in the States of Washington and California the resultant effects of laying out cities for future purposes instead of present needs in the breaking of banks that carried paper of the projectors of such magnificence, while to the sudden drop in silver they have charged all the failures in Colorado, one in Montana, one in New Mexico and one in Utah. Re-opened banks in Indiana, Illinois, Iowa, California, Washington, Florida and Kentucky under favorable conditions and of greater strength, too, have reassured the public.

Turning from a study of the causes which, under unfavorable circumstances more quickly than would have otherwise have been the case, revealed the weak places in a great banking system, to the financial reports they find that gold is coming into the country in small amounts instead of going out in large ones, that the rate of exchange is lower, that our breadstuffs are again in demand in European countries and that the balance of trade is once more slightly in our favor; that the tone of the press, the best of indicators, is reassuring, while the views of our public men and acknowledged financiers are hopeful and confident. The action of the President in calling Congress together in an extraordinary session at an early date, to consider financial legislation, has been of incalculable benefit in quieting the people's fears and improving the business outlook. It has imbued not alone the many in great business undertakings but all classes with the belief that the radically bad legislation of three years since is to be speedily undone, and strong in this belief they are looking forward with confident hope to August 7. When to all these sources of encouragement are added the further ones that the banks are loaning more freely, that frightened depositors who withdrew their money are redepositing it with the same institutions, that the savings institutions are again putting out money, that millions of new currency are being ordered for circulation by national banks upon bonds deposited, that there is less call upon the East for help on the part of the West and South, and that the borrower can secure accommodation on bonds other than those of the United States, there are indications of better times in the near future that must convince even the most pessimistic.

All these favorable symptoms must not, however, be interpreted to signify immediate and complete restoration to health. The ailment from which our financial system has so long suffered

is too deep-seated to warrant the hope of a recovery without a period of convalescence. The crisis is passed, but an imprudent act or failure to take every precautionary measure may cause a relapse which, in its consequences, may prove more serious than the fever when at its height. It has taken a long period of time to pervert the minds of the people in business matters and to thoroughly permeate the financial system of the United States with the disease that has so nearly ruined it, and of necessity it cannot all be undone in the twinkling of an eye. It did not commence with the passage of "the Sherman Silver Act," nor with the passage of the "Bland Act." It found its origin long before either was enacted, at a time when Congress first assumed it to be the chief end of legislation to make, through enacted laws, certain individuals rich. It was with this end in view that protective tariff laws were passed and for this purpose was brought into being the Silver bill, which has not only now returned to plague its authors, but is destroying the very interest it was designed to benefit. Such legislation is responsible for the spirit of speculation that would create something out of nothing; that organizes trusts for the purpose of enriching a few at the expense of many, and looks upon the general public, not less than the public's interests, as legitimate plunder. It has popularized an extravagance in public and private expenditure that has led the government in its public matters and the individual in his private affairs to live beyond their means. It has done more to strangle the life of legitimate trade than all else combined, and to-day the people are seeing the full effects of the evil in the menace to honest endeavors through the distrust bred by it.

The passage of the "Sherman Act" was but the culmination of the idea of enriching through protective legislation. No other excuse can be or has been offered for its enactment, except the disreputable one of political advantage. It is a regretful commentary upon the sense of duty which a distinguished representative must hold toward his constituents and the interests of the public when we find him saying, in the course of an able and exhaustive speech upon the passage of this law, in which he condemned it as unwise, but yet declared his intention to vote for it:

"It is pure politics, gentlemen; that is all there is about it. We Republicans want to come back, and we do not want you Democrats to come back in the majority. That is all there is to this silver bill—pure politics."

In the light of the subsequent disaster wrought by this measure, the public may well believe that such politics was not only not "pure" politics, but wretchedly bad politics, unworthy the representative of any great organization.

Not only was the "Sherman Act" the last embodiment of this ruinous idea, but the worst. Aside from the protective feature of it, the only effect that could possibly result from it was injury to our own financial system. In the face of this danger the opportunity was embraced for the unworthy purpose of gaining supposed political advantage. It was so clearly in violation of every fixed principle of finance that its authors knowing it then are apologizing for it now. Its passage was notice to the world of business that the people of the United States believed they could maintain two standards, one of a cheap and the other of a dear metal, in defiance of the single standard of all other civilized nations. It was heroic, but it was the heroism of foolhardiness and ill-considered action.

The consequence of this assumption is now so plain that "he who runs may read." The seed of distrust then planted has sprung into life and its huge proportions have called to action the bankers, merchants, professional men, farmers and laboring men. It has created in the largest degree to-day's disturbed conditions. The bill had not passed the Senate before the leading economists of Europe commenced to discuss the inevitable result of its operation upon the finances of this country. The late Adolf Soetbeer, the most distinguished German authority on the question of monetary standards, writing of it in the *Neue Freie Presse*, under date of June 21, 1890, said :

"Face to face with these optimistic expectations, stand many and great causes of apprehension. First of all and above all, it is doubted whether it will be possible to keep silver at the par of 129 cents per ounce of fine silver permanently, even if it could during the first few years be raised to that figure for a time by the colossal purchase of silver by the Treasury, provided for in the bill. Despite the increase of population and wealth, the fear is expressed that by the compulsory increase of the circulating medium to the extent of about 40 millions of dollars a year, and eventually of more, in silver currency, the want of such a medium will be greatly exceeded and gold driven from the country. An advancing and fluctuating gold premium will not fail to appear, and the real value of silver, measured by the universal measure of value, gold, will then, perhaps, sink permanently lower than it has risen at first, for a certain time, under the direct influence of the new silver bill. The new silver bill, it is claimed, must be considered as a very rash experiment, which, on the whole and in

the long run, will scarcely produce the extraordinary advantages expected from it, but which will, rather, after a time, cause much greater damage.

"It will not be expected of a calm, dispassionate observer, competent to form a judgment on such matters, that he will, at this stage of the case, give expression to a positive opinion as to which of these directly opposite views and expectations will turn out right, or as to whether, as so frequently happens, the probable effects of the new law are not estimated much too favorably by the one side and much too unfavorably by the other. Considering the many powerful factors that co-operate to produce a result in nearly all great economic questions, the only thing to do, in most instances, is to form an opinion for one's self as to how small or how great the probability of the indirect effects to be anticipated from a far-reaching law is. Experience teaches how different the course of things is in reality, from what many had at first prophesied with the greatest confidence. . . .

"It seems, as already remarked, rash and premature, thus early to pass judgment on the effects of the new American silver bill ; but, hereafter, people will not be able to refrain examining in detail the influence and the consequences of this law, in the light of experience and of sound monetary political principles, for it is a law of vast practical importance and destined to influence greatly the commercial and financial interests of all countries."

Further, he says, illustrating the view that England and Germany would take of it (and those who are now talking about a conspiracy on the part of those countries against silver may read what was then said by one who was not a politician, but an economist, viewing the whole subject in its true light) :

"It is safe to say that the advocates of bimetallism in Germany are completely mistaken when they think or claim that the course the silver question has taken in the United States has been disagreeable to the defenders of the gold standard in Germany and England, and that it disappoints their endeavors. How such an opinion could be formed or find expression is inconceivable. Nothing is clearer or better known than that Mr. Goschen, the British Minister of Finance, has, since 1878, harbored no more ardent wish with regard to the question of standard than that the double standard might be maintained in other large states and might oppose the depreciation of silver, without England herself needing to change its existing single-gold standard in any way, and that, with respect to the financial relations of British India, it would be only too welcome to him if the monetary policy of the United States would now bring about the rehabilitation of silver. And that Germany has as little interest in the depreciation of silver for its own sake as England and would gladly see the stability of the price of silver practically restored by the monetary legislation of the United States is just as undoubted. If the United States silver bill has the success expected by the bimetallists, Germany will then be afforded the best opportunity to get rid of the superfluous silver thalers it has left without loss and to obtain gold in exchange for them ; Germany would then, to use the language of the bimetallists, give up the undecided and wavering policy she has pursued in the matter of the standard. If, in this way, the Soetbeer-Bamberg era,

during which Germany was hoodwinked by a small number of doctrinarian theorizers, comes to a close, the defenders of the gold standard will not have the least ground or reason to lament the 'victory of bimetallism,' which will have materially facilitated the final and complete establishment of the gold standard in Germany."

And again, under date of July 29, 1890, he says :

"The monetary system of the United States will then be delivered over to the greatest uncertainty, and the value of silver depressed lower than it has now been raised, or will be raised in the near future. Under any and all circumstances, gold will assert for itself the place of the universal measure of value and the ultimate medium of exchange; and the international trade of the United States, even if the silver standard rules there in the future in home trade, will not be able to escape it."

The same writer again discussing the reasons for and against the Sherman Act makes the following statement, under date of August 7, 1890 :

"In the above, we have only called attention to a few points of view from which the silver question may be looked at in connection with the new United States silver law. The result is the probability of a temporary rise of silver, but the total uncertainty of the height and duration of such a rise in value, as well as of the future use of an actual silver standard in the business of the banks, especially after there has come to be a premium on gold. Be this as it may, the conviction that gold will not cease to remain the universal measure of value, and that, to accomplish that end, it will have to assert itself as the ultimate medium of exchange, cannot be removed or even shaken by the monetary legislation of any country."

And again, under date of August 10, 1890, he states :

"In the meanwhile, in the uncertain state of things created by the United States Silver Law, the business world must and will have to do the best it can and await the further practical consequences of the law and the further development of the financial situation of the United States, cautiously and patiently."

It would be well if our public men would take these statements made before the "Sherman Act" had been fairly put in operation and study them. They are deductions made from the business world's experience with silver and have proven so true in the case in hand as to challenge admiration.

Not less true has proven the prediction of the *Economist* (England) under date of June 19, 1890 :

"It is always rash to prophesy, and the effects of currency changes are so complicated and far-reaching, that it is impossible to say beforehand what new influences may be brought into operation. But all the probabili-



ties point to the conclusion that sooner or later, and probably not later than two or three years hence, the United States Treasury will be forced to cease its silver purchases; and seeing that in the interval production will have been stimulated, and the general demand diminished, the withdrawal of that factitious support to the silver market will cause prices to fall to a lower level than that from which they have been raised."

Nor are we wanting among the distinguished financiers of our own country for testimony as to the ultimate result of such law: and therefore ignorance of its effect cannot be pleaded by those responsible for its becoming a law. Senator Sherman, whose authority upon financial questions is recognized at home and abroad, in a public address delivered at Cumberland, Md., October 24, 1878, in discussing "the condition of the country," said, relative to the effect of the then recent silver legislation—and what was said by him then was doubly applicable to the "Sherman Act":

"I am frequently asked whether we can maintain the equality of this money after resumption. I say, without hesitation, that we can do so; but we must not force the issue of either form of money when its convenience, the popular demand for it, and the separate uses for which it is designed, will not keep it at par with the other."

And, in the same address, he adds:

"The coinage of 2,000,000 monthly of silver dollars of full legal tender is a disturbing element, which we cannot now compute. We can only hope that, before the issue of silver is greatly increased, Congress will either limit its amount or make it contain enough silver to be equal in value to gold. . . . I therefore say with confidence, that, unless the people prefer irredeemable money, we will have redeemable money at par with gold coin, unless the people demand that silver coin of a kind less valuable than gold coin shall be issued in such quantities as to drive out of circulation gold coin and thus become the sole standard of value."

Afterwards, in his annual report to Congress as Secretary of the Treasury, under date of December 2, 1878, Senator Sherman said:

"Experience, not only in this country, but in European countries, has established that a certain amount of silver coin may be maintained in circulation at par with gold, though of less intrinsic bullion value. It was, no doubt, the intention of Congress to provide a coin in silver which would answer a multitude of the purposes of business life, without banishing from circulation the established gold coin of the country. To accomplish this, it is indispensable either that the silver coin be limited in amount, or that its bullion value be equal to that of the gold dollar. If not, its use will be limited to domestic purposes only. It can not be exported except at its commercial value as bullion. If issued in excess of demands for domestic purposes, it will necessarily fall in market value, and by a well-known

principle of finance will become the sole coin standard of value. Gold will be either hoarded or exported. When two currencies, both legal, are authorized without limit, the cheaper alone will circulate. . . . To the extent that such demand will give employment to silver dollars, their use will be an aid to resumption rather than a hindrance; but, if issued in excess of such demand, they will at once tend to displace gold and become the sole standard, and gradually as they increase in number, will fall to their value as bullion. Even the fear or suspicion of such an excess tends to banish gold, and, if well established, will cause a continuous drain of gold, until imperative necessity will compel resumption in silver alone. The serious effects of such a radical change in our standards of value cannot be exaggerated; and its possibility will greatly disturb confidence in resumption, and may make necessary larger reserves and further sales of bonds.

"The Secretary therefore earnestly invokes the attention of Congress to this subject, with a view that either during the present or the next session the amount of silver dollars to be issued be limited, or their ratio to gold for coining purposes be changed."

The result of such discussion not only made Europeans cautious of the operations of the act, but as its disastrous effects became more and more apparent a distrust in the ability of the Government to maintain gold payments developed to such an extent that a steady drain was commenced on the gold of this country until the reserve was broken into that the credit of the Government might be maintained. Two years of continuous purchase of unused silver with gold has given us no benefit on the one hand, while on the other it has worked serious harm to every branch of business. The distrust of Europe found ready harbor here, and because of it the financial interests of the country have not only been threatened, but seriously impaired.

It would be unfair, however, to charge in its entirety the present condition to a single cause. There must be taken into account as contributing elements, unwise speculations; great extravagances; the carrying of competition in trade and finance to dangerous limits, and the giving of unlimited credit to those engaged in purely speculative enterprises that have proved disastrous. But neither one nor all of these combined could have in a much longer period of time brought the country to its present state. The essential thing for the highest good of a people is to have an absolutely sound system of finance. The laws governing finance are more important than those regulating revenue or the conduct of government. They are the very basis of a nation's prosperity. The laws regulating monetary operations must conform to and aid the laws of commerce and trade, rather than

conflict with and retard them in their operation. No nation can subvert the immutable laws that govern the world's trade. To-day that law decrees a gold standard as the basis of its operations, and until that standard shall be changed by the common consent of all to a bimetallic one the United States must conform to it or suffer in the strife for wealth. There may be those of our people who have, as Andrew Johnson once suggested, discovered "the philosopher's stone," but he believed, as he expressed it, that :

"Congress cannot regulate the value of these coins, because the commercial world will take the coins for what they are intrinsically worth, and not for what the legal stamp represents them to be worth."

It is one of the incredible things that, in the United States, where we boast so much of advance in all that makes a country great among the nations, the chimera of a universal bimetallic standard is pursued under present circumstances, while other governments are fleeing from it. Of such standard Moritz Benedikt, editor of the *Neue Freie Presse* and member of the Austrian Monetary Reform Committee, said, at a meeting of the Committee on March 8, 1891 :

"The end which the greater number of civilized countries have endeavored to reach during the last twenty years by their reforms of the standard may be described in a few words: *To cut loose from the pale of silver.* . . . Bimetallism is not only impracticable, but nobody has any confidence in it. Pirmez said at the Paris Monetary Conference in 1881: 'Bimetallism demands that those states which have already too much silver shall take more silver.' Bimetallists wish to correct the superfluity of silver by a still greater superfluity. This kind of homœopathy is impossible, because, at bottom, bimetallism has no foundation except the hope of Americans to be able to send their silver to Europe, and the hope of the French to ship their silver to America."

But a short time intervenes before the session of Congress. No body of men ever met with the people more deeply interested in their labors. The people now believe that the "Sherman Act" will be repealed, and in that hope have undertaken with renewed courage the task of maintaining the solvency of bank and factory and the thousand lines of commerce in which a busy people are engaged. The force of present public sentiment is emphatic for repeal, and the lesson of past experience points to the necessity of it. It will not come because of party caucus or of political de-

bate, but as the result of the patriotism of legislators who are bent upon serving the best interests of the people whose representatives they are. It will be remembered as the most costly piece of experimental legislation ever undertaken, and the last which juggled with the business interests of a whole nation for the sake of retaining the distribution of patronage. Its abolishment will forever divorce questions of finance from questions of political power, and bring about the solution of them in accordance with the rules of commerce and trade.

Many are looking for an immediate and spontaneous return of good times when this law is off the statute books, but such a thing is as impossible as is the maintenance of it without working greater harm. Those who oppose its repeal will not yield at once and without resistance. The struggle for the use of the "white metal" commenced in 1877, when Senator Jones made his famous report, and is not now to be abandoned without resistance, but in the end its opponents must be beaten, for no set of men ever yet have defeated the force of public opinion. The return to a sound basis will be slow, but when once upon it the American people will be immeasurably more prosperous than during these past years of speculative and fictitious values.

JAMES H. ECKELS.

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## AFTER THE FOUR HUNDRED YEARS, WHAT ?

BY THE HON. SYLVESTER PENNOYER, GOVERNOR OF OREGON.

THERE is now progressing at Chicago a most remarkable Fair in honor of one of the most remarkable events in the world's history. The erection there of vast but meretricious buildings apeing, in the splendor of lath and plaster, wood, white paint and stucco, the most costly and stable edifices which have been the slow result of the patient labor and architectural genius of the ages, involved the expenditure of millions of money, some of which was appropriated by Congress without warrant of law, as no such expenditure was provided for in the grant of its delegated powers, and some by the legislatures of States in defiance of justice, as no man who cannot visit the Fair ought to be taxed for the benefit of the man who can. Such taxation contrasts most strongly and

strangely with the fact that the money raised to fit out Columbus for his contemplated voyage was not by the taxation of her subjects, but by the pledge of her private jewels by the Queen of Castile, and also elucidates the further fact, not generally known and understood, that in the prostitution of its taxing powers our government, believed to be the best the world ever saw, easily bears the palm against all existing monarchies as well as those of the past ages.

This Fair is in honor of the discovery of America by Columbus four hundred years ago. No event in the whole world's history, save alone the wonderful birth at Bethlehem over eighteen centuries ago, was clothed with greater and more momentous consequences. At the time when Columbus set sail the so-called civilized world was still encompassed in the gloom of the dark ages. For nearly fifteen centuries the splendid civilization attained in Greece and Rome had been gradually but surely declining. Civilization had retrograded, commerce had fallen into comparative decay, the arts had declined, while the people had sunk into a hopeless condition of serfdom. All this every student of history well knows, but as every student is not well aware of the great producing cause of this decline from the magnificent splendor of Grecian and Roman civilization to the gloom and ignorance and semi-barbarism of the succeeding ages, it will be most pertinent to state that such a decline was the direct result of a diminution in the volume of money, which is the very life blood of commerce and progress. The experience of the whole world has shown that where money is plentiful there the arts flourish, the people are prosperous, and nations march forward to greater achievements, but when its volume diminishes a decline in the condition of the people follows as surely as night follows the day. While the gold and silver mines of Greece and Spain yielded their precious treasures, Rome prospered; when they failed, Rome declined.

At the commencement of the Christian era, which occurred at the very apex of Roman greatness, the coined money of the Roman empire was estimated at \$1,800,000,000, while at the time Columbus set sail from Palos the estimated coined money of all Christendom was estimated at less than \$200,000,000. The result of the gradual diminution of the volume of the world's money is legibly written on the pages of history in a decline in

the condition of the people. There it stands and there it will ever stand both as an instruction and a warning. When we look about us now, at the close of the nineteenth century, and mark the great fact standing out in bold relief, that the noblest progress has been made where the Christian religion obtains the greatest sway, the other grave fact that the commencement of the decline into the gloom of the dark ages was contemporaneous with the announcement of the great truths of that religion gives irrefutable testimony to the undeniable truth that such a decline must alone have been the result of the steady diminution in the volume of the world's money.

When Columbus set sail upon the Western ocean, in search of new lands, the great impelling cause was the hope that the world could be further supplied with the precious metals. They were the imperative need of the people and the hope of the nations. With them in abundance, the lethargic sleep of the ages would be broken, the shackles would be removed from the oppressed, and new life and energy would be given both to nations and to individuals. That was their hope and their yearning. His voyage was successful and a new world was discovered. For what was the first search made by Columbus and his followers when once they had planted their feet on the virgin soil of San Salvador, and for what, immediately following, were countless expeditions fitted out to explore the new and unknown world? It was for those metals for which the people of the old world stood in most urgent need. And under the providence of God the discovery of gold and silver in rich abundance in the Western world was indeed one of the greatest boons ever conferred upon mankind.

Contemporaneously with the sailing of Columbus the coined money of the world had passed under the control of a class of men who thereby had become the virtual masters of the world, holding both nations and individuals under their relentless domination. The discovery of the precious metals in the Western hemisphere broke the bands of this slavery and disenthralled Europe from its abject condition of money servitude.

The discovery of the new world, with its wealth of the precious metals, is one of the most prominent landmarks in the world's history. From its date began the dawning of a wonderful advancement, constant, though perhaps irregular, until we stand now in the full glare of the splendid achievements which mark

the close of the nineteenth century. For fifteen centuries the world was gradually lapsing into barbarism, owing to a constant diminution of money. For four centuries it has leaped with giant bounds in the arena of progress, having been generously supplied by an all-wise Providence with a plentiful store of those metals. And now at the end of the four hundred years we may be standing at another great landmark in the world's history. The cupidity of the money lords would, if possible, render void the beneficence of Almighty God. The precious metals, gold and silver, which Providence has most graciously stored in our mountain sides and in the bowels of the earth for the benefit of mankind, and all of which the ever-increasing population and ever-developing resources of the world urgently need and imperatively demand, are deemed by them as being too large in volume for their selfish interests, and at their behest the nations of the world have demone-tized one of these metals and are endeavoring to do the business of the world with one metal alone. The stupendous folly and colossal crime of this policy can be seen at a glance, when we remember that the world's supply of gold is estimated at \$3,700,-000,000 and that the grand total of the national indebtedness aggregates over \$35,000,000,000. These debts, as well as the debts of corporations and private individuals, are now all made payable in gold. No mountebank ever imposed upon a credulous auditory a more transparent fraud than the attempt to do the world's business on a gold basis. The two drunken louts who of a cold winter night discarded one blanket because it was white and struggled and shivered under one yellow blanket, too short and too narrow to cover them both, were not one whit more foolish than is our government in discarding the broad bi-metallic basis of our fathers and adopting the single gold basis entirely inadequate to the demands of our increasing population and our yet undeveloped resources.

And now mark the result of this criminal policy of denying the use of silver as full legal-tender money. It is seen and felt on every hand. It is plainly written in a steady decline in business, in the fall of prices and in the constant accessions to the already vast army of the unemployed. It is estimated that the fall in the value of the listed and unlisted stocks handled on Wall Street since the first day of the present year aggregates about \$500,000,000. But even this decline is trivial and comparatively

harmless compared with the other consequences of the demonetization of silver. It may perhaps be that the fall in some stocks is only a healthful wringing out of water, and, although individuals may suffer, it may perhaps be of ultimate benefit, while other stocks undoubtedly have declined through a loss of earning power in the corporations issuing them, resultant upon the general stagnation of business. It is, however, among the producing and laboring classes that this denial of the use of one of the precious metals as full legal-tender money is most severely felt. Gold alone, instead of both gold and silver, has become the measure of the value of property and the basis of business. And, as this is greatly insufficient to keep our ever-expanding industries in activity, they are being dwarfed to a conformity with the dwarfed basis. The prices of the farmer's produce, of the artisan's and mechanic's productions, and of the day-laborer's toil, are constantly falling, while the stoppage of industries and the enforced idleness of the laborer are the goals to which we are rapidly drifting.

If our government should directly provide by positive enactments for the destruction of the national industries, the depreciation of the property of its citizens and the denial of remunerative labor to its honest toilers, it would well deserve the reprobation of all honest men and the vengeance of a just God. Is it any less criminal, for compassing the same ends by indirect means? By diminishing the volume of full legal tender money to gold alone the identical result is reached, and a nation so unmindful of the welfare of its people cannot expect to prosper. The silver dollar should be made a full legal tender. And there should be no quackery. It would be worse than folly to allow Shylock the unjust and unprecedented privilege of dishonoring the silver dollar, and then attempt to keep it at par with gold by the creation of a special fund or by the sale of bonds. Nor is there need of more metal in the dollar. Give it full legal tender qualities and a dollar of  $412\frac{1}{2}$  grains would be at par, just the same as would a dollar of 450 grains. Let Congress but return to the policy of the fathers, give to the silver dollar complete legal-tender qualities, refuse to the money-loaner the disgraceful privilege of dishonoring any of the coined money of the realm, and thenceforward  $412\frac{1}{2}$  grains of silver would be worth a dollar in every national mart, and the protective tariff now existing in



favor of the gold-producer would be forever completely removed. After the four hundred years, what? We have observed, during fifteen centuries in the world's history, a steady decline in intelligence, in the arts and in the freedom and prosperity of the people, commensurate with, and consequent upon, the decline in the volume of money. We have also noticed the quickened activities and steady advance, throughout all nations during the past four hundred years, as the result of a needed supply of money. And now, in the very face of these facts, shall we deny ourselves the use of one of the precious metals, dwarf our industries to the narrow limits of a single gold basis, and thus deliberately turn back the advancing hand on the dial of civilization? If so, then at the end of the four hundred years of prosperity and of advancement in enlightenment and wealth, we will commence a retrogression into the valley of the shadow of gloom such as the world entered upon eighteen centuries ago. With the civilization of Greece and Rome and the sublime truths of the Christian religion carried by warrior and apostle among the nations of Europe at the commencement of the Christian era a general awakening and advance among all peoples might reasonably have been expected. But it was not so. The decrease of the volume of money caused a stagnation of industries, a decline in commerce, an isolation of communities, and a poverty of the masses against which these wholesome influences were comparatively powerless.

A moneyed oligarchy, after four hundred years, has again gained control of the world's supply of gold, and again dominates for its own enrichment the financial policy of the nations. Is there no hope of deliverance from the galling fetters of its imposed thralldom? If not, what of the future? Go among the great masses of the people of this country and read the lesson legible on every hand. The widely-diffused prosperity of former years is no more. The light of hope that heretofore brightened the face of the farmer as he enriched his acres and enlarged his granaries, and the face of the laborer as he added little by little to his accumulation of earnings, has given place to a look of anxiety or despair, as, in the hard and constant struggle for the support of themselves and their families, they are scarcely able to provide the bare necessities of life and keep the wolf of want from the door.

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